

Memorandum

To: Mayor and Members of the City Council

From: Scott McCarty, CFO

Date: April 9, 2012

Re: FY 2013-FY 2017 Five-Year CIP Agenda Item at April 10th Work Session

The FY 2013 Five-Year CIP is scheduled for discussion at the City Council work session on April 10th. We will be discussing all CIP funds (except water, sewer, and solid waste). The purpose of this memo is to overview the material and help set up the work session discussion.

Two attachments are included to this memo. One, the PowerPoint that will be reviewed at the meeting. Two, a schedule with a detailed listing of the projects in the General CIP Fund and the Transportation CIP Fund. The list of projects include funded projects as well as unfunded projects (e.g. projects identified in the GAP study). The schedule lists the total project cost, any 3rd party funding, and the City's share of project cost. The next page shows a prior Expenditures column, which identifies projects already in progress and how much the City has spent to date along with the future programmed funding by fiscal year. Projects that have been identified as a need, but have not previously been funded, are included in the unprogrammed column.

As you will see, the amount of projects greatly exceeds resources so we will focus our attention on the next three years, through FY 2015.

A majority of the time will be spent discussing these two funds. Most importantly, we will discuss the relationship these two funds have with the Operating Budget and there are several policies issues for the City Council to consider in this regard. For example, because of lack of reserve in the Operating Budget, we raise the issue of creating reserves in these two funds. Per existing financial policy, \$1.45M of construction sales tax would be transferred to the General CIP Fund from the Operating Budget. In addition, Mayor and City Council input is needed regarding which projects to construct, especially over the next three years, given the limited resources.

The impact fee funds are fairly straightforward and staff is recommending no projects in FY 2013 until the post audit performance audits are completed and we know the actual cash position of these funds.

To the extent possible, we are looking for feedback from the City Council and propose to return at the April 17th meeting to finalize these budgets.

Please feel free to contact me if you have any additional questions.